

AMENDED IN SENATE AUGUST 22, 2012

AMENDED IN SENATE JUNE 25, 2012

AMENDED IN ASSEMBLY MAY 21, 2012

AMENDED IN ASSEMBLY MARCH 14, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1534

Introduced by Assembly Member Wieckowski
(Coauthor: Senator Correa)

January 24, 2012

An act to add *Sections 241 and 241.1 to, and to add Chapter 6* (commencing with Section 11950) to Division 5 of, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 1534, as amended, Wieckowski. Vehicles: dealers: used vehicle sales: labeling requirements.

Existing law regulates the accuracy of information provided to consumers during vehicle sales, including the information contained in advertising, brochures, and manuals, as specified. Existing law also requires manufacturers, as specified, to disclose certain information regarding a vehicle's engine, as specified, by affixing a label on the vehicle. A violation of these provisions is an infraction.

This bill would require a buy-here-pay-here dealer, as defined, to affix to and to prominently and conspicuously display a label on any used vehicle offered for retail sale that states the reasonable market value of the vehicle. The bill would require the label to contain specified information used to determine the vehicle's reasonable market value

and the date the value was determined. The bill would require a buy-here-pay-here dealer to provide to a prospective buyer of the used vehicle a copy of any information obtained from a nationally recognized pricing guide that the buy-here-pay-here dealer used to determine the reasonable market value of the vehicle. By creating a new crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 6 (commencing with Section 11950) is
2 added to Division 5 of the Vehicle Code, to read:

3
4 CHAPTER 6. SALE OF USED VEHICLES

5
6 11950. (a) A buy-here-pay-here dealer shall affix a label on
7 any used vehicle being offered for retail sale that states the
8 reasonable market value of that vehicle. The label shall meet all
9 of the following conditions:

10 (1) Be in writing.

11 (2) Be printed with a heading that reads "REASONABLE
12 MARKET VALUE OF THIS VEHICLE" in at least 16-point bold
13 type and text in at least 12-point type.

14 (3) Be located adjacent to the window sticker identifying the
15 equipment provided with the vehicle or, if none, it shall be located
16 prominently and conspicuously on the vehicle so that it is readily
17 readable.

18 (4) Contain the information used to determine the reasonable
19 market value of the vehicle, including, but not limited to, the use
20 of a nationally recognized pricing guide for used vehicles.

21 (5) Contain the date the reasonable market value was
22 determined.

(6) Indicate that the reasonable market value is being provided only for comparison shopping and is not the retail sale price or the advertised price of the vehicle.

(b) A buy-here-pay-here dealer shall provide to a prospective buyer of the used vehicle a copy of any information obtained from a nationally recognized pricing guide that the buy-here-pay-here dealer used to determine the reasonable market value of the vehicle.

(c) As used in this section:

(1) "Reasonable market value" means the average retail value of a used vehicle based on the condition, mileage, year, make, and model of the vehicle, as determined within the last 60 days by a nationally recognized pricing guide that provides used vehicle retail values or pricing reports to vehicle dealers or the public.

(2) "Nationally recognized pricing guide" includes, but is not limited to, the Kelley Blue Book (KBB), Edmunds, the Black Book, or the National Automobile Dealers' Association (NADA) Guide.

~~(3) "Buy-here-pay-here dealer" means a seller who does both of the following:~~

~~(A) Enters into conditional sale contracts, within the meaning of subdivision (a) of Section 2981 of the Civil Code and subject to the provisions of Chapter 2b (commencing with Section 2981) of Title 14 of Part 4 of Division 3 of the Civil Code or lease contracts, within the meaning of subdivision (d) of Section 2985.7 of the Civil Code and subject to the provisions of Chapter 2d (commencing with Section 2985.7) of Title 14 of Part 4 of Division 3 of the Civil Code.~~

~~(B) Assigns less than 90 percent of all unrescinded conditional sale contracts and lease contracts to unaffiliated third-party finance or leasing sources within 60 days of the consummation of those contracts.~~

~~(4) Notwithstanding paragraph (3), a seller is not a buy-here-pay-here dealer if the seller does both of the following:~~

~~(A) Pursuant to Section 11713.18, certifies 100 percent of its vehicles.~~

~~(B) Maintains an on-site service and repair facility that is licensed by the Bureau of Automotive Repair and employs a minimum of five master automobile technicians who are certified by the National Institute for Automotive Service Excellence.~~

SEC. 2. Section 241 is added to the Vehicle Code, to read:

1 241. A “buy-here-pay-here” dealer is a dealer, as defined in
2 Section 285, who is not otherwise expressly excluded by Section
3 241.1, and who does all of the following:

4 (a) Enters into conditional sale contracts, within the meaning
5 of subdivision (a) of Section 2981 of the Civil Code, and subject
6 to the provisions of Chapter 2b (commencing with Section 2981)
7 of Title 14 of Part 4 of Division 3 of the Civil Code, or lease
8 contracts, within the meaning of Section 2985.7 of the Civil Code,
9 and subject to the provisions of Chapter 2d (commencing with
10 Section 2985.7) of Title 14 of Part 4 of Division 3 of the Civil Code.

11 (b) Assigns less than 90 percent of all unrescinded conditional
12 sale contracts and lease contracts to unaffiliated third-party
13 finance or leasing sources within 45 days of the consummation of
14 those contracts.

15 (c) For purposes of this section, a conditional sale contract
16 does not include a contract for the sale of a motor vehicle if all
17 amounts owed under the contract are paid in full within 30 days.

18 (d) The department may promulgate regulations as necessary
19 or appropriate to implement this section.

20 SEC. 3. Section 241.1 is added to the Vehicle Code, to read:

21 241.1. The term “buy-here-pay-here” dealer does not include
22 any of the following:

23 (a) A lessor who primarily leases vehicles that are two model
24 years old or newer.

25 (b) A dealer that does both of the following:

26 (1) Certifies 100 percent of used vehicle inventory offered for
27 sale at retail price pursuant to Section 11713.18.

28 (2) Maintains an onsite service and repair facility that is
29 licensed by the Bureau of Automotive Repair and employs a
30 minimum of five master automobile technicians that are certified
31 by the National Institute for Automotive Service Excellence.

32 ~~SEC. 2.~~

33 SEC. 4. No reimbursement is required by this act pursuant to
34 Section 6 of Article XIII B of the California Constitution because
35 the only costs that may be incurred by a local agency or school
36 district will be incurred because this act creates a new crime or
37 infraction, eliminates a crime or infraction, or changes the penalty
38 for a crime or infraction, within the meaning of Section 17556 of
39 the Government Code, or changes the definition of a crime within

1 the meaning of Section 6 of Article XIII B of the California
2 Constitution.

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